from the tap even though it appears that RF signals for entertainment and cable modem services were not impacted. *In these circumstances it has been necessary to completely* replace the drop. For network-powered service, the terminal unit is then affixed to the subscriber's unit at the NID, which for residences is often outside and accessible without the customer's presence.

10. While customer-powered cable telephony is less likely to require drop replacement, installation of customer-powered units would likely be more difficult than installation of network-powered units because the customer-powered unit must be installed inside the subscriber's home or business with the subscriber's cooperation. GCI must coordinate with the subscriber to provide access to the inside of his or her premises, to place the customer-powered terminal adapter and back-up power unit, and to connect that unit to the inside wire.

11. As the discussion above demonstrates, transitioning GCI's voice services from UNE-loops to its own cable facilities is not a matter of simply flipping a switch. The intersection of the design and permitting process with the abbreviated Anchorage construction season were all taken into account when GCI began cable telephony deployment, and the construction was undertaken to maximize productivity within these immoveable constraints. Provisioning steps calling for outside plant work are further limited by the narrow construction season. Given these hard limits on timing for project requirements of this scope, there can be impacts of as much as 18-24 months on the schedule depending on the nature of the required changes and mix of variables mentioned previously in the design and construction process.

12. As of November 30, 2005, GCI has provisioned **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** customers with DLPS service. If ACS of Anchorage, Inc. ("ACS") were to withdraw access to UNE loops, GCI would not immediately (or within any commercially reasonable period of time) be able to provision its remaining customers, or provision new customers in areas in which nodes and, for network-powered service, drops had not yet been upgraded, except by switching them to ACS resale services. Moreover, and as I discuss further below, in the absence of UNE loops, GCI could not serve some customers—particularly medium to large business customers—except by resale, even after GCI completes its cable telephony upgrades. This change in course would result in significant customer disruption, at least during the time it would take for any major construction alternatives to be undertaken.

13. GCI estimates that fully provisioning all of the Anchorage markets with its DLPS technology will require installation and/or modification of **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** voice gateways, **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** CMTS, **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** narrowcast lasers, **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** wave division multiplexers and optical splitters, adding **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** nodes, and installing **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** terminal units. Network-powered technology also requires installation and upgrade of numerous trunk amplifiers, line extenders, and taps. GCI has completed roughly half of these required upgrades in the less than two years since it began provisioning this service in April 2004. Node construction comprises the most time consuming and labor intensive portion of the

system upgrade. GCI built out **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** nodes in 2004 and **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** *in 2005; to* date, construction has been completed for **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** nodes. Each node serves approximately **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** drops and **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** to **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]** homes.

14. Contrary to ACS's assertions, this process cannot be accelerated for immediate completion. For one, although construction continues to some extent in the winter months, the construction season for the necessary outdoor upgrades in Anchorage generally runs from April to October, thus making acceleration difficult for half of the year. Moreover, outdoor plant work is often conducted by seasonal contract laborers that are not resident in Alaska. Since GCI commenced node construction, Anchorage has experienced a paucity of available seasonal contract workers, which have been attracted by higher than normal labor rates in hurricane-affected areas. This, again, would severely hinder any efforts to complete an immediate transition. It is also unlikely that GCI could procure all of the necessary equipment at once since some of the activity requires modification of current plant that must be removed from service, upgraded, and subsequently replaced. Moreover, to the extent needed, the MOA, local power companies, and DOT may not be staffed to handle such an increase in easement permit applications, thus creating additional delays.[1] And, as conversions from copper loop to

[1] Time for plant modification and permitting would likely be reduced with customer-powered MTAs. The installation coordination and uncertainty described below would, however, likely offset these time savings.

our coaxial plant are coordinated with the permission of the customer, GCI typically makes several attempts to notify customers of the changes and arrange to have the *physical cut-over done house-by-house.*

15. Provisioning DLPS via customer-powered MTA units would not alleviate all of these obstacles, even for single-family dwellings. Indeed, the ability to complete much of the node and drop work would, as with network-powered units, depend on weather conditions and labor availability. Moreover, as discussed above, installing technology indoors presents scheduling and customer relations difficulties that do not exist with outdoor provisioning. Furthermore, inasmuch as GCI is not provisioning DLPS via customer-powered MTA units at this time, GCI is sure to encounter numerous unforeseen technical and operational difficulties that are not known today but that will delay the process.

16. None of these logistical and practical obstacles accounts for the huge cash outlays that would be required to even attempt an immediate conversion. Even if available, the additional labor, supervision, materials, trucks, and contract engineers to accelerate the permitting process necessary to transition all of Anchorage to GCI's cable facilities in short order would increase the current per-mile cost for these upgrades, particularly for network-powered service. Moreover, GCI is not only deploying service over its own facilities in the Anchorage markets, it is also working to expand DLPS service in Fairbanks and Juneau, which limits available capital, not to mention labor and supplies.

17. Beyond the complexities of and obstacles to provisioning all of the single-family residences and small businesses in Anchorage, multiple-dwelling units ("MDUs")

present their own set of impediments to GCI's deployment of DLPS service. Approximately **[BEGIN CONFIDENTIAL] [END CONFIDENTIAL]**% of GCI's residential lines are located in MDUs. In many cases, it is not technically, economically, or operationally feasible to provision services to units within these buildings. For one, with the network-powered technology, drop capacity is limited. Traditional cable television services are provided to MDUs through one drop line to a building amplifier that supplies the necessary power. GCI's network-powered lines require additional drops, each of which can power at most only two MTA units, which are currently designed for a maximum of four lines. Serving an MDU larger than eight units would thus require several additional drops and several additional MTAs, as there is no high-capacity network-powered MTA product on the market. This raises a real and practical problem: the telecommunications closets of many MDUs simply do not have the space to house several additional MTA units. Because tenants already receive phone service, there is no incentive for building owners to build larger telecommunications closets or otherwise accommodate GCI's need for additional space. Thus, GCI is often precluded from serving these MDUs using its own facilities.

18. Even if GCI were to use customer-powered MTAs, it is not clear how best to provision such technology in an MDU setting. Because GCI's cable telephony roll-out and transition from UNEs has been under way for less than two years and started with non-MDUs that are operationally easier to address, the full operational and logistical scope of these issues is not yet known.

19. Consistent with its overall approach to date, GCI has been working with manufacturers to develop network-powered solutions for the MDU environment, but they

are simply not yet available. Indeed, GCI just recently received a beta version of a 12-line, network-powered MTA that has the potential to mitigate the capacity issue for many of the MDUs in Anchorage. Unfortunately, this new equipment is not scheduled for commercial manufacturing until at least April 2006. Commercial deployment will be possible only after manufacturing commences and all technical issues are resolved, which typically takes a significant amount of time. As a result, the beta 12-line MTA does not immediately provide the technical solution that GCI needs to provision phone service to MDUs over its own cable facilities. GCI is also evaluating other potential solutions, such as using indoor-powered MTA units, but, as discussed above, these units present their own operational challenges.

20. Finally, without access to ACS's DS1 and other lines, GCI cannot currently provide full facilities-based telephony services to the medium or large business markets in Anchorage. For one, many businesses are not passed by cable plant.

21. Moreover, even where cable passes a commercial building, only a few businesses subscribe to cable television services and thus most are not currently wired. While some businesses can be reached with an aerial drop, many can be reached only through buried conduit. In those areas, it is difficult, expensive, and time-consuming to gain access to and provision many of the larger buildings with cable due to the lack of sufficient conduit space or, in some cases, ACS's refusal to provide GCI with access to conduit space.[2] Moreover, conduit work is generally foreclosed during the winter months.

[2] *See* Declaration of Blaine Brown.

22. Furthermore, cable standards and cable networks were developed primarily for voice and high speed Internet service for residential and very small business services and are not architected or specified to support the types of services commonly provided over DS1 or fractional DS1 lines, such as the PRI and DSS services that many medium and large businesses require. These types of private line/private network services are currently provisioned over leased ACS facilities and cannot readily be provided using today's cable-based technologies. While some companies offer proprietary work-arounds to provide DS1 services over DOCSIS cable networks, the reality is that these work-around solutions are cumbersome, expensive and add additional potential points of service failure. These work-arounds are not a commercially or operationally feasible means to serve the needs of medium and large business customers that have traditionally been served through DS1s. There certainly is no industry standard. Indeed, CableLabs did not even issue a request for proposal ("RFP") for a multi-line MTA for commercial applications until July 2004 and did not issue a request for information ("RFI") for DOCSIS-based equipment to provide DS1 level services until November 2004. To date, CableLabs has not certified any such product. Thus, if GCI were to lose UNE-DS1 access, it could not reasonably provide such services to its current DS1 based business customers over its cable network, and only the largest locations with the greatest demand can feasibly be served by extending GCI's fiber network.[3] As a result, medium to large business locations would lose the only significant alternative they have to ACS's DS1 business services.

[3] *See* Declarations of Blaine Brown and William Zarakas.

23. As a small player in the cable industry, GCI cannot and does not drive the pace and direction of industry development in this area. Furthermore, because much of the cable industry has focused on developing cable telephony in the traditional residential market, there has not been a large push from industry leaders to develop commercially viable options for the full spectrum of the business market. It is not reasonable to expect these solutions to be developed and become commercially available and deployable during 2006.

Respectfully submitted,

/s/

Gary Haynes
General Communication, Inc.
Vice President of Operations for Outside Plant
Maintenance and Construction
2550 Denali Street
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REDACTED FOR PUBLIC INSPECTION

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Petition of ACS of Anchorage, Inc. Pursuant to	)	
Section 10 of the Communications Act of 1934, as	)	WC Docket No. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF BLAINE BROWN

I, Blaine Brown, do hereby declare under penalty of perjury:

1. I am Senior Manager of Planning and Projects at General Communication, Inc. ("GCI"). My primary responsibility is to support GCI product departments in the planning, design, and project management of GCI's local service network. I have held this position since January 1998 and have performed these or similar duties for the company since 1996. Before that—from 1984 to 1996—I worked for the predecessor of ACS of Anchorage, Inc. ("ACS"), Alaska Telephone Utility ("ATU"), first as a Plant Engineer and ultimately as the Division Manager of Corporate and Network Planning. In this capacity, I was responsible for the supervision of network planners, business plans, and all major plant additions, including network planning for switches and associated remotes, digital loop carrier, fiber optic planning, and broadband infrastructure planning.

2. I have developed a thorough knowledge of the equipment options and costs for extending transport fiber plant to meet the needs of business customers in Anchorage. I also have experience with the range of building access and installation requirements present throughout Anchorage.

3. This declaration describes the process of extending fiber transport as last-mile facilities to business locations in the Anchorage markets, as well as the attendant costs and potential barriers. It also debunks ACS's assertion that GCI has the ability to serve nearly all business customers over its own fiber optic facilities. Finally, I will describe the technical and practical steps GCI has taken to provide ACS access, at its option, to GCI's copper and coaxial loop facilities.

I. GCI'S FIBER PLANT IN ANCHORAGE

4. In 1996, GCI began construction of its fiber optic Metropolitan Area Network ("MAN"), which it completed in 1998. The architecture consists of fiber optic rings and optical cross-connects providing route diversity to primary switch and remote switch locations. The initial fiber facilities were multi-functional, designed and engineered to expand the capabilities of the cable television network and to improve connectivity to GCI remote switch modules located at ACS central offices. The fiber connecting the GCI main switch and various remote switch modules employs proprietary signaling and cannot be used for other applications.

5. As illustrated in the attached map, the fiber deployment is concentrated in the Anchorage midtown and downtown areas, which roughly parallel the ACS North and Central wire centers.[1]

6. Each fiber sheath contains fibers that support Synchronous Optical Network ("SONET") rings at various optical rates. Some rings have nodes at the ACS central offices where DS1 circuits are transferred to ACS over "tie-cables," at which point ACS cross-connects the DS1 circuits to its Central Office Repeater and then to its

[1] *See* Exhibit BB1, attached hereto.

outside plant cables. The circuits arrive at the customer premise on ACS copper cable, where ACS terminates the circuits on a Network Interface Unit and transfers the signals to GCI for delivery to the GCI customer. Other fiber rings have been designed and deployed to establish nodes in various commercial buildings. Depending on the service requirements at a commercial building, GCI will add optical multiplexing equipment to deliver DS1 services and if necessary channel banks to provide voice or data services.

7. GCI leases roughly **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** UNE DS1s from ACS, approximately half of which are used for business dial tone. For about 75% of that half, ACS copper facilities deliver DSS and PRI/dial tone for GCI to provide service over its own high-bit-rate digital subscriber line ("HDSL") equipment. The other 25% is beyond the transmission limits of GCI HDSL equipment and thus leaves GCI with no option but to deliver DSS and PRI services to its business customers through resale of ACS DS1s.

8. GCI currently provides telecommunications services to about **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** locations over its own fiber network. GCI has placed fiber into approximately **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** other locations, primarily for delivery of cable television services. The terminal equipment at these **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** locations does not support delivery of POTS or DS1 services.

9. In my estimation, there are approximately 5000 business locations in Anchorage. GCI provides voice and/or data services to about **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**% of these business locations on its fiber network. GCI has installed fiber in about **[BEGIN CONFIDENTIAL][END**

CONFIDENTIAL]% of these locations, but half are for video services and not equipped with the expensive electronics necessary to deliver dial tone or DS1 level services.[2]

II. IMPEDIMENTS TO EXTENDING *LAST-MILE FIBER PLANT*

10. There are a number of impediments to extending last-mile fiber facilities to Anchorage business customers in a short period of time. And in many cases extending last-mile fiber facilities is entirely impractical or not economically feasible. First, the costs of extending fiber optic cable and the necessary electronic equipment are prohibitive in most instances. Indeed, very few businesses in the Anchorage markets require the volume and type of service to justify the high costs of extending last-mile fiber optic network capability. Moreover, even where justified, several operational impediments hinder extension of fiber plant and access to business locations.

11. First, it is not commercially reasonable to provision services to most Anchorage businesses over fiber plant. Only a very few of the largest businesses in the Anchorage study area have the service demand to justify the high cost of extending fiber plant to and into a commercial building, as well as the expense of the on-premises electronic equipment necessary to provide DS1 services. The average business in the Anchorage markets has 6.36 lines. Such customers are most efficiently served by less expensive copper loop plant, not by fiber plant that requires expensive electronics to deliver the service.

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[2] GCI's ownership of two undersea cables between Alaska and the lower-48 and any other fiber or satellite transport outside of Anchorage does not boost GCI's ability to deploy last-mile facilities to any individual building in Anchorage. *Compare* ACS Forbearance Petition, Statement of Thomas R. Meade ¶ 6. Indeed, the fibers dedicated to the undersea fiber cables in some cases overlap with the fiber cables in the Anchorage MAN. These undersea fibers are necessarily high priority fibers and not available for any other use, and thus, the undersea cables are actually limitations on Anchorage fiber capacity, not enhancements as ACS suggests.

12. The costs of extending the fiber plant and building conduit access are considerable. The downtown areas of Anchorage, which house the largest concentration of businesses, have an especially high cost of construction because of limited space in the roadways and alleys. Naturally ACS and the other underground utilities in the downtown area have secured the best routes over time in the major streets and alleys, mostly during original construction. GCI's challenge in the downtown area is finding routes that do not conflict with these existing utilities. Typically, GCI must cut and replace asphalt to extend fiber plant to buildings. Depending on the location of the actual fiber, road bores, permits to shut roads down, engineering costs, pavement construction, reconstruction, and landscaping add considerably to the cost and time required to install outside plant.

13. Many of the buildings in the downtown areas are multi-story, thus the foundations are thick and require core drilling to access the basements. GCI must therefore contract with a "core-drilling" company, obtain necessary permits, and coordinate with the building owner. In buildings without a usable basement, GCI may have to place EMT conduit on the exterior of the building. In this configuration, the conduit is typically extended from a hand hole up the side of the building to a point where the building can be penetrated. Outside plant cables are not plenum-rated and, thus, to comply with National Electric Codes, GCI must place EMT conduit from the point of entry to the telecommunications room, typically located on the first floor and in the center of the building. Once inside the building, EMT conduit is extended to the telephone room. Recent building entrance projects have averaged $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** per foot to place fiber in right-of-ways, on private property, and into buildings.

14. These costs are not drastically reduced outside of downtown Anchorage. The streets may be wider, provide more routing options, and obviate the need for boring depending on the road material, but GCI still has to avoid existing utilities, procure permits, penetrate the building, get permission form the building owner, and provide expensive electronic equipment.

15. Moreover, designs that involve attaching fiber to power poles require an additional 30-40 days for pole surveys and analysis to be completed and approved. It is not uncommon for the power company to request $5000 or more for "make-ready" work or $10,000 to replace poles that cannot support additional plant.

16. As mentioned, delivery of dial tone services over the fiber network requires expensive equipment such as the battery plant, SONET terminals, and channel banks equipped with POTS cards. For a 96 line location, for example, such equipment can cost from $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** to $**[BEGIN CONFIDENTIAL][END CONFIDENTIAL]**. Such investment is justified in only a few businesses in Anchorage with the largest demand.

17. Second, even if it were not cost prohibitive, operational impediments would prevent any immediate large-scale fiber build out. For one, Alaska's climate constrains construction efforts. The construction season in Anchorage generally spans from April to October. Typically, winter construction is expensive, if not impossible. To construct during the winter, GCI must contend with cold temperatures, ground freeze, unavailability of materials, and the need for extra care when handling fiber cables. In addition, the Municipality of Anchorage ("MOA") closes the road prisms to any digging around the second week of October. Once the MOA closes the right-of-way, permitted

road activity is considered only on a case-by-case basis. Even if permitted, GCI would have to steam-thaw the ground to lay fiber. Moreover, it is difficult if not impossible to obtain unfrozen backfill materials and the local asphalt plant shuts down during winter months. Placement of fiber optic cables when temperatures drop below freezing requires special handling of the cables to prevent breakage. At temperatures below manufacturers' tolerances of 14 degrees Fahrenheit—not uncommon in Anchorage—fiber placement is simply precluded. Additionally, conduit that is usable during the summer months can be frozen solid and thus inaccessible.

18. Furthermore, access to existing conduit on private property has been a significant challenge for GCI in Anchorage. For one, ACS often impedes GCI's use of conduit. In addition, building owners with existing conduit often do not want an additional conduit into their facility and/or do not have the physical space or power to facilitate placement of the electronics needed to turn the fiber into loop plant.

19. ACS routinely claims that any conduit placed by the property owner is for ACS's exclusive use. ACS has used this asserted ownership and/or control over existing conduit to restrict or completely block GCI access to conduit necessary to install GCI's own loop facilities. The following are examples of the challenges GCI has faced when trying to share conduit with ACS:

> *Peanut Farm.* In the fall of 2005, ACS claimed that they paid to install entrance conduit for an addition to an existing building. GCI placed coaxial cable in the 2" conduit with the approval of the building owner. Citing a need to lay new copper entrance cable for new pay phones, ACS demanded that GCI remove the coaxial cable. GCI attempted to negotiate with ACS to allow both companies to use the 2" conduit. GCI even offered to purchase the conduit from ACS, remove its coaxial cable, and then install both coaxial and copper cable to provide a service path for both companies. ACS would not acquiesce and, over the

customer's objection, ACS forced GCI to remove its coaxial cable and find another building entrance to serve its customer.

Alaska Dance Theater. In the summer of 2005, GCI coordinated with the project manager of a new building to extend conduit into the building. GCI then placed coaxial cable in the conduit. Because this building was in an area without cable telephony services, GCI placed orders with ACS to deliver UNE loops to provide dial tone for the required certificate of occupancy phones. Claiming that GCI's cable could damage ACS's wire, ACS held that order, demanded that GCI remove its cable, and denied GCI's request to share the conduit. As to not delay the customer's phone service, GCI acquiesced and removed its coaxial cable. ACS has not provided GCI access to the conduit.

Bailey's Furniture. In the summer of 2005, the building project manager gave GCI permission to use the only entrance conduit to the building. GCI pulled in a temporary copper cable (along with inner duct) to provide dial tone for 3 POTS lines necessary for the certificate of occupancy phones. When GCI arrived on site to pull in fiber, the ACS line crew demanded that GCI stop. GCI did not acquiesce, but attempted to accommodate ACS by leaving the copper in place and offering to give ACS use of the copper or of inner duct. ACS has not yet responded to GCI's proposal.

III. ACS ACCESS TO GCI'S LAST-MILE FACILITIES

20. While ACS has often hindered GCI's access to customers, GCI has gone out of its way to offer ACS use of the few access lines in Anchorage for which GCI is the sole provider. There are only **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** buildings in Anchorage for which GCI provides all of the facilities. GCI has deployed copper and/or cable plant for voice services to serve approximately **[BEGIN CONFIDENTIAL][END CONFIDENTIAL]** lines in three residential subdivisions [on the Elmendorf Air Force base] since 2001.

21. In each of these three subdivisions, GCI notified ACS that it was deploying facilities. ACS had an opportunity to place its own facilities alongside GCI's, and GCI even designed its networks for GR-303 multihosting to provide ACS access to

unbundled loops on GCI's network. GCI went as far as to provide to ACS, at no charge, a site survey of one of the subdivisions, a tour of its equipment, and a copy of the outside plant work order and assignment sheets to allow ACS to understand the design of GCI's facilities more thoroughly. Moreover, GCI has offered ACS access to customers served in these areas through the lease of unbundled GCI loops. ACS has declined to take these steps. ACS's asserted inability to serve customers located in these base communities is therefore inaccurate.[3]

[3] *See* ACS Forbearance Petition at 10 ("GCI serves a subset of its customers over exclusive facilities over which it is not required to give ACS or its other competitors access"); *id.* at 13 (same); *id.* at 14 ("The only Anchorage customers that are denied a choice are those that are being served exclusively by GCI's facilities"); *see also id.*, Bowman Statement ¶ 9 ("To my knowledge, GCI has never provisioned its exclusive facilities to ACS and contends that it is under no obligation to provision access to these facilities.").

Respectfully submitted,

/s/

Blaine Brown
General Communication, Inc.
Senior Manager Planning and Projects,
2550 Denali Street
Anchorage, AK 99503

Exhibit BB1

REDACTED FOR PUBLIC INSPECTION

K

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Petition of ACS of Anchorage, Inc. Pursuant to	)	
Section 10 of the Communications Act of 1934, as	)	WC Docket No. 05-281
amended, for Forbearance from Sections 251(c)(3)	)	
and 252(d)(1) in the Anchorage LEC Study Area	)	
	)	

DECLARATION OF LISA WURTS

I, Lisa Wurts, do hereby declare under penalty of perjury:

1. I am the Combined Service Delivery Manager in Consumer Services for General Communication, Inc. ("GCI"). My primary responsibilities are management of the consumer order processing for local service and cellular service, consumer and commercial provisioning, and dispatch functions. I have worked in local services for a total of eight years—since GCI first entered the local service market—managing the consumer and commercial provisioning team for five years and the local service consumer processing team for over one year.

2. GCI has developed a customer provisioning hierarchy to ensure that services to new customers, additional services to existing customers, and continuing services to customers moving locations are provisioned over GCI's own facilities to the greatest extent possible. This hierarchy applies to both residential and business customers. GCI has also developed a process for transitioning existing customers from unbundled ACS of Anchorage, Inc. ("ACS") loops or resale of ACS service on an area-by-area basis as cable telephony service is deployed. As a practical matter, this is really a

residential customer process, because cable facilities typically reach and serve residential, not business, locations.

3. The GCI customer service provisioning hierarchy is as follows:

a. Cable telephony, or other available GCI facilities[1]
b. UNE loop
c. Resale

4. Based on GCI data, the customer service representative can determine for any given order if it is possible to start the provisioning process via GCI's cable telephony. However, we typically have to rely on ACS's information about available service options for the majority of customers that we still need to serve via UNE loop or resale. For example, in some areas ACS uses digital loop carriers ("DLCs") or remotes without equipping the devices to preserve GCI's access to the loop. In these instances, GCI is limited to providing service to the customer via resale. GCI may know from experience that resale is the only option for certain customer locations, but GCI does not have access to this information for every customer. For this reason, when GCI facilities are not present or available, we are largely reliant on ACS's information regarding the ability to provision a customer via UNE loop rather than the less favorable resale.

5. We have developed familiarity with the ACS network based on their responses to our past inquiries.[2] This experience permits us to challenge the ACS provisioning instruction if we know, for example, that loop was available in a given area in the past, but ACS later states that only resale is available. If we request resale where,

[1] Other GCI facilities include circuit-switched systems fed by digital loop carrier ("DLC") available in the Boniface and Dallas subdivisions on Elmendorf Air Force Base.
[2] To the extent that ACS makes network changes, however, this familiarity is incomplete.

unknown to us, UNE loop is available, ACS does not advise us that the preferred alternative is accessible.

6. This hierarchical provisioning approach reflects GCI's preference to use our own facilities to the greatest extent possible. Having control over the end-to-end provisioning ensures greater certainty for service to the customer and a better customer experience overall.

7. Now that GCI is in the midst of its cable telephony conversion, we have developed provisioning processes to deliver local service via our cable facilities.[3] There is one process for new customers where cable telephony is available, another for converting existing customers from UNE loop, and still another for converting existing resale customers.

8. The provisioning process for new customers is the easiest, because the technical installations required for cable telephony are part and parcel with the initial installation. In this case, the customer service representative ("CSR") first notifies the customer that a service technician will install the network interface device ("NID") on his house. Next, the CSR books a premises visit to survey for plant adequacy. The order gets "pre-built" in the GCI switch, assigning the telephone number plus any ordered features, but no dialtone is possible until the NID is installed. We then do a first truck roll for a premises visit, install and connect the inside wire to the NID, and then do a field test to confirm that the service is working. About 85 percent of new installs require at least one truck roll.

[3] Some of this process is applicable to business customers, but they are handled somewhat differently in that they are assigned to a specific business representative, who manages the order from submission to completion.

9. If any drop work is needed (for example, upgrading taps, burying drops, or moving drops relative to the power ground),[4] then we typically proceed to the next best method (UNE loops or resale) for provisioning until that work can be completed. When conversion cannot be completed in the first attempt, we identify the impediment and record the information in a database. At that point and depending on the time of year, the required work is either assigned for completion or held until the ground thaws in spring. This is an ongoing process, the length of which depends on the particular issues to be addressed and the time of year.

10. GCI has a parallel process for migrating existing customers off of ACS facilities to cable telephony once a certain area is deployed.[5] For both UNE loop and resale customers, about a month prior to completion of a node upgrade, CSRs perform a call "sweep" of existing customers in the geographic area served by the node to secure permission to install a cable NID on the home and for premises visits to survey drop condition and location. The day before the technicians are deployed, an automatic call is placed to notify the customer that GCI is sending someone out the next day. The survey and necessary work must be completed before an ACS order to disconnect the customer can be submitted and completed or the customer will be left without dialtone.

11. For UNE loop customers, we complete the transition to GCI loop facilities, test and confirm service, and then submit a disconnect order to ACS. For resale customers, we send a letter to the customer explaining that some of the features will

[4] *See* Declaration of Gary Haynes.

[5] This is the process for the current network-powered cable telephony service. A different process would need to be developed for customer-powered cable telephony because GCI would need to obtain access to the inside of the subscriber's home or business for installation.

change—like voice mail and some call forwarding options—because the customer will be provisioned from the GCI switch for the first time. There is a first truck roll to perform a serviceability survey and to hang the NID. A second truck roll is required to coordinate the swing of service to GCI, which includes porting the number to the GCI switch and cutting off the ACS service coincident with turning up the GCI service.

12. This effort is complicated when ACS does not provide a time window for orders on a particular date. For example, when ACS removes the resale customer from the switch first thing in the morning before GCI has completed the inside wire swing on the NID, the customer is without service. For this reason, GCI has arranged for ACS to remove the line from their switch only after 2 p.m. on the due date, so that GCI can schedule the truck roll prior to that time and minimize the interruption to the customer. Any disruption or failure of this arrangement will risk customer outages, while complicating and prolonging the transition process.

13. The amount of time to complete all of the possible UNE-to-cable coaxial conversion for any given node is dependent on how large the node is and the penetration of existing GCI customers. Once a node is available for telephony service, it typically takes two to three months to convert a majority of the customers for whom no outside plant work is required. For now, we convert as many customers as possible upon initial node availability, and then as we upgrade additional nodes, we are continually reviewing the status of unconverted lines at previously upgraded nodes to determine if initial obstacles to conversion have been resolved.

14. GCI also has processes for provisioning services to ACS when they win a customer where GCI has facilities. Through these processes, ACS can serve customers

where GCI has facilities via unbundling or resale. To date, ACS has elected to serve customers in each of the Boniface, Dallas, and Nebraska subdivisions via resale of GCI services.

Respectfully submitted,

/s/

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